

not normally serviced by the Debtors. The services of the GSAs allow the Debtors to realize ticket sales through the issuance of multi-carrier itineraries. In return, the GSAs generally are compensated by way of commissions on their ticket sales. For the six months ending May 31, 2005, GSA commissions averaged approximately \$995,000 per month. Commissions are generally paid two months after they are earned (e.g., commissions earned in May are paid in July). The revenue generated from the GSA Agreements during the 1st quarter of 2005 was approximately \$89 million. Thus, the GSA Agreements are critical to the Debtors' international marketing efforts.

67. The Debtors also have agreements with Orbitz and G2 Switchworks (the "**Supplier Link Agreements**"), under which Orbitz and G2 book tickets directly through the Debtors' reservation system. The Supplier Link Agreements will provide a lower cost alternative to traditional booking channels and will result in significant cost savings for the Debtors.

68. Honoring prepetition obligations related to the Backend Incentive Agreements, the Volume-Based Incentive Agreements, the Point-Of-Sale Agreements, the Block Seat Agreements, the Online Agency Agreements, the Opaque Channel Agreements, the GSA Agreements and the Supplier Link Agreements (collectively, the "**Travel Agency Agreements**"), is essential to the Debtors' continued conduct of business with travel agents. The Debtors must sustain the confidence of these travel agencies so that the agents will continue to sell the Debtors' services to the traveling public. Because these travel agencies account for approximately 70% of the Debtors' ticket sales and because these revenues far exceed the aggregate prepetition claims

related to these agreements, the Debtors seek the authority to pay all prepetition obligations under the Travel Agency Agreements.

F. Cargo Agency Agreements

69. The Debtors' cargo services use general sales agents (the "**Cargo GSAs**") pursuant to certain agreements with the Debtors (the "**Cargo GSA Agreements**") in the United States and abroad. The Cargo GSA Agreements are structured in one of two ways: (i) the Cargo GSA markets the Debtors' cargo services, collects payment from the customer, deducts an agreed commission and remits the remaining amount to the Debtors or (ii) the Debtors make cargo services available to the Cargo GSAs at an agreed rate, which the Cargo GSAs sell to customers at a higher rate. Under the first scenario, the commission rates for Cargo GSAs vary depending upon the extent of the services furnished and the market in which the services are performed. Under the latter scenario, the Cargo GSAs retain the difference between what the Debtors charge and what the customer pays as the Cargo GSAs' compensation. The Cargo GSAs are generally paid monthly. For the six months ending June 30, 2005, the Debtors' payments under the Cargo GSA Agreements equal approximately \$1.01 million per month. In 2004, the Debtors generated approximately \$173.2 in revenue directly attributable to the use of Cargo GSAs.

70. Because the revenues derived from the Cargo GSAs far exceed, by many multiples, the aggregate prepetition claims related to the Cargo GSA Agreements and because the Debtors' cargo customer base may erode to the detriment of the Debtors if they do not honor their obligations under the Cargo CSA Agreements, the Debtors seek the authority to pay all prepetition obligations under the Cargo GSA Agreements.

G. TSI Agreements

71. In addition, the Debtors have agreements (the “**TSI Agreements**”) with Transportation Solutions, Inc. (“**TSI**”), whereby TSI acts as a financial clearinghouse for the Debtors for billings, payments and the related administration of ground transportation services (including pickup and delivery, road feeder, freight providers, and other common carrier services) for air cargo. In this clearinghouse role, TSI aggregates and settles charges between the Debtors and approximately 50 motor carrier providers that transport customer cargo throughout the United States. In addition to air cargo customers, TSI also acts as a clearinghouse for payments to truckers in connection with the ground transportation of aircraft parts, engines and other related materials necessary for the maintenance of the Debtors’ aircraft fleet.

72. The financial clearinghouse services provided to the Debtors through the TSI Agreements are central to the daily operations of the Debtors. The failure to honor prepetition obligations to TSI in the hours and days following the commencement of these cases would be severely damaging to the reorganization of the Debtors if truckers who are normally paid through the TSI clearinghouse subsequently fail to perform ground transportation services related to customer cargo shipments or the transfer of engines and parts needed to maintain the Debtors aircraft fleet. If hundreds of cargo shipments were stranded during the early days of these cases, it would not only result in an immediate loss of cargo customers but also the possible grounding of aircraft as a result of the failed delivery of aircraft engines and parts needed to maintain the Debtors’ fleet. Moreover, the resultant publicity of such an event could be damaging to the Debtors’ ability to reorganize. Because of the importance of the TSI Agreements to

maintaining cargo customer confidence and goodwill and the necessity of the continued motor carrier shipments to the efficient maintenance of the Debtors aircraft fleet, the Debtors seek the authority to pay all prepetition obligations under the TSI Agreements.

H. In-To Plane Service Company Claims

73. The Debtors also request authority to honor the claims of suppliers of aircraft fueling, ground handling, and aircraft cleaning services. These service providers are known as “**In-to Plane Service Companies.**” These arrangements obviate the need to have separate personnel and facilities devoted to these services at each airport to which a carrier flies. The Debtors’ aircraft cannot be operated without the assistance of the In-to Plane Service Companies and they are an essential element of the continued operation of the Debtors. Therefore, the Debtors seek authority, but not direction, to honor prepetition obligations to the In-to Plane Service Companies and to continue to use the In-to Plane Service Companies in the ordinary course of business.

I. Technical Services Sales Agents

74. In addition to providing air transportation, the Debtors also perform certain aircraft and engine maintenance activities for third party customers (“**Technical Services**”). The provision of Technical Services provides substantial revenue to the Debtors and is an essential part of the Debtors’ business.

75. In an effort to maximize the Debtors’ revenue from providing Technical Services and to ensure continued use of debtors’ personnel and its assets used to provide Technical Services, the Debtors have engaged the services of Technical Services sales agents, worldwide (the “**Sales Agents**”), to assist the Debtors in securing customers for the Debtors’ Technical Services. Sales Agents possess unique technical qualifications

specific to aircraft and, in many cases, have established relationships in their contracted territory which enable them to effectively assist the Debtors' in selling their Technical Services to third party customers.

76. Pursuant to certain arrangements (the "**Technical Services Sales Agent Agreements**"), Sales Agents are paid on a commission basis, derived as a percentage of the net revenues received by the Debtors from customers secured by such Sales Agent. In addition to the commission structure, in certain cases, Sales Agents are reimbursed for necessary and pre-approved expenses.

77. Maintaining the services of Sales Agents is important to the Debtors' Technical Services business. Sales Agents provide valuable assistance to the Debtors, without whom, the Debtors' revenue derived from Technical Services would likely diminish to the detriment of the Debtors, their creditors and their estates. Moreover, the performance-based commissions in the Technical Services Sales Agent Agreements provide crucial incentives that encourage the Sales Agents to grow this important component of the Debtors' overall business. For these reasons, the Debtors request authority to continue the use of Sales Agents in the ordinary course of business and honor all related prepetition obligations related to the Technical Services Sales Agent Agreements.

J. ATPCO Agreement

78. Airline Tariff Publishing Company ("ATPCO") facilitates the publication of airline tariff filings that are communicated by ATPCO to ticket vendors pursuant to an "**ATPCO Agreement.**" The Debtors rely on ATPCO to distribute changes to the Debtors' fares and rules to global distribution systems in a timely manner. ATPCO also

files fares for the Debtors with government authorities, as is required for all airlines. The Debtors' cargo division also utilizes ATPCO to file domestic freight tariffs and rates. This process is crucial to the Debtors' marketing efforts and ability to sell tickets in the market place.

79. The obligations incurred under the ATPCO Agreement are paid through the Clearinghouses. For the six months ending May 31, 2005, the Debtors' average monthly obligation to ATPCO was approximately \$200,000. Fees to ATPCO are generally paid two months after they are earned (e.g., fees earned in May are paid in July). Because the publication of the tariff efficiently fulfills a vital and otherwise very complicated function for the Debtors, the Debtors seek the authority to pay all prepetition obligations to ATPCO.

K. Foreign Deeds of Undertaking

80. The Debtors are parties to certain foreign deeds of undertaking (the "**Foreign Deeds of Undertaking**"), pursuant to which the Debtors are obligated to provide holders of the Debtors' tickets with assurance that, should the issuer of the ticket (usually a travel agent) fail to remit moneys to the Debtors paid by the customer to the travel agent, the Debtors will nonetheless honor the ticket. Absent these Foreign Deeds of Undertaking, the various governmental regulatory agencies require a travel agent to be bonded to provide similar assurances to customers. Because some travel agents abroad are not bonded and refuse to become bonded, absent the Foreign Deeds of Undertaking, unbonded travel agents abroad will be prohibited from selling Debtors' tickets. The revenue generated by the existence of the Foreign Deeds of Undertaking far outweighs the costs associated with them. As of the Petition Date, the Debtors do not believe that

they have unpaid obligations under the Foreign Deeds of Undertaking. However, out of an abundance of caution, the Debtors seek the authority to pay all prepetition obligations, if any, under the Foreign Deeds of Undertaking.

L. The SAFI Arrangement

81. Pursuant to certain aviation requirements in the United Kingdom, air travel organizers, such as travel agents (the “**Air Travel Organizers**”), are required to carry Scheduled Airline Failure Insurance (“**SAFI**”) to protect the public against, among other things, the failure of an airline. Although airlines are not parties to SAFI policies, certain actions taken by airlines, such as the filing of a chapter 11 petition, can invalidate the policies. If such policies are deemed to be ineffective, the Air Travel Organizers will not be able to protect consumers against the subsequent failure of an airline and, therefore, may immediately stop selling tickets for air travel on any airline that has filed for relief under chapter 11 or may file for bankruptcy relief in the future. Because the Debtors’ ability to sell tickets in the United Kingdom is essential to their successful reorganization, the Debtors brokered a prepetition arrangement with International Passenger Protection Limited (“**IPP**”) to prevent the cancellation of SAFI coverage for certain of the Debtors’ Air Travel Organizers (the “**SAFI Arrangement**”). Under the SAFI Arrangement, the Debtors collateralized the risk undertaken by IPP by placing £3.585 million in an escrow account on September 9, 2005 (prior to the filing of the petitions), which will be returned to the Debtors thirty (30) days after their emergence from chapter 11, provided that no subsequent chapter 11 filing has been made within that time.

82. For the twelve months ended July 31, 2005, revenue from United Kingdom travel agent sales totaled £80,338,336. Without the SAFI Arrangement, the

Debtors will likely experience severe disruption in their ability to sell tickets in the United Kingdom, which would seriously harm the Debtors' cash flow and would be devastating to the Debtors' market position and reputation in the United Kingdom. Therefore, the costs associated with the SAFI Arrangement are far outweighed by the revenue generated by doing business in the United Kingdom and the potential harm the Debtors would suffer if such SAFI Arrangement was not in place.

III. The Debtors Should Be Authorized To Assume the Assumed Contracts and Honor The Prepetition Obligations

A. Assumption Pursuant To Section 365 Of The Bankruptcy Code

83. Section 365 of the Bankruptcy Code authorizes a debtor to assume its executory contracts and unexpired leases subject to the approval of the bankruptcy court. Section 365 provides, in pertinent part, that a debtor may assume executory contracts and leases, provided that all defaults under such agreements are cured or the debtor provides adequate assurance that defaults will be promptly cured and, if defaults exist, adequate assurance of future performance is provided by the debtor to the nondebtor party to such contracts or leases. *See 11 U.S.C. §§ 365(a), (b)(1), (f)(2).* The Debtors seek authority to pay any cure amounts they may owe pursuant to the Assumed Contracts. In addition, the Debtors submit that they have provided adequate assurance of future performance under the Assumed Contracts because they intend to meet their obligations and have sufficient financial wherewithal to do so.

84. Once the statutory predicates to assumption are satisfied, as is the case here, the standard applied to determine whether the assumption of an unexpired lease or executory contract should be approved is the "business judgment" test, which is premised on the debtor's business judgment that the assumption is in its best interests. *See NLRB v.*

Bildisco & Bildisco, 465 U.S. 513, 523 (1984); *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *Control Data Corp. v. Zelman (In re Minges)*, 602 F.2d 38, 42 (2d Cir. 1979). This test is fundamentally identical to the standard for sales outside the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code. See *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp. (In re Sharon Steel Corp.)*, 872 F.2d 36, 40 (3d Cir. 1989); *In re III Enterprises, Inc.*, 163 B.R. 453, 469 (Bankr. E.D. Pa. 1994) (“Generally, a court will give great deference to a debtor’s decision to assume or reject an executory contract. A debtor need only show that its decision to assume or reject the contract is an exercise of sound business judgment – a standard which we have concluded many times is not difficult to meet.”).

85. It is clear that the Assumed Contracts are executory contracts under section 365 because numerous parties have continuing obligations to perform under the Assumed Contracts. As a practical matter, the Debtors do not have competing suppliers, providers, or relationships to replace many of the vital functions served or benefits provided by the foregoing agreements. For instance, if the Debtors do not assume the Interline Agreements, the other airlines simply would not enter into new interline agreements with the Debtors as the existing agreements expire, or would condition the new agreements on onerous terms that would impose financial and operational burdens on the Debtors. Because of the importance of the Assumed Contracts to the Debtors’ business, and because performance of the Assumed Contracts has been and will be beneficial and profitable to the Debtors and their estates, the assumption of these

contracts represents sound business judgment and, therefore, should be approved by the Court.

B. Procedures Providing for Notice and Opportunity for Hearing

86. As the Debtors filed this Motion on the Petition Date, they were unable to give the counterparties to the Assumed Contracts prior notice pursuant to Bankruptcy Rules 6006 and 9014.⁶ To satisfy the notice and hearing requirements of Bankruptcy Rules 6006 and 9014, the Debtors respectfully request that this Court grant the relief requested, provided that the Debtors comply with the notice provisions set forth herein through an order (the “**Order**”).

87. Within three (3) business days of the entry of the Order, the Debtors shall serve a copy of the Order and this Motion on (i) the Office of the United States Trustee for the Southern District of New York, (ii) those creditors holding the thirty largest unsecured claims against the Debtors’ estate, (iii) those creditors holding the five largest secured claims against the Debtors and (iv) the counterparties to the Assumed Contracts reasonably identifiable by the Debtors (collectively, the “**Notice Parties**”). The Debtors submit that, pursuant to Bankruptcy Rules 6006 and 9014, notice of the assumption to the foregoing parties shall be sufficient.

88. The deadline to file an objection (“**Objection**”) to the Motion shall be 4:00 p.m. (prevailing Eastern Time) on the date that is fifteen (15) days after the date of the entry of the Order (the “**Objection Deadline**”). The Debtors submit that the foregoing satisfies rules 6006-1(a) and 9006-1 of the Local Bankruptcy Rules for the

⁶ A proceeding to approve assumption of an executory contract is a contested matter requiring reasonable notice and opportunity for hearing. *See* Bankruptcy Rule 6006(a) (“A proceeding to assume, reject, or assign an unexpired lease... is governed by Rule 9014.”); Fed. R. Bankr. P. 9014 (“In a contested matter . . . relief shall be requested by the motion, and reasonable notice and opportunity for hearing shall be afforded the party against whom relief is sought.”).

Southern District of New York. An Objection shall be considered timely if it is (i) filed with the Court, One Bowling Green, New York, New York 10004-1408 and (ii) actually received by (a) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Greg M. Zipes, Esq., (b) attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner, Esq., (c) attorneys for any official committee then-appointed in these cases, (d) attorneys to the agent for the Debtors' post-petition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: George A. Davis and (e) attorneys for American Express Travel Related Services Company, Inc., Hahn & Hessen LLP, 488 Madison Avenue, New York, New York 10022, Attn: Jeffrey L. Schwartz and Joshua I. Divack, on or before the Objection Deadline.

89. Unless otherwise ordered by the Court, a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two (2) business days before the date of the applicable hearing.

90. As to the assumption of any Assumed Contract or payment of any Prepetition Obligation to which no Objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order granting the relief requested herein, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party, and the Motion shall be approved *nunc pro tunc* to the Petition Date. If an Objection is timely filed, a hearing will be held to consider only the assumption of any Assumed Contract or payment of any Prepetition Obligation subject to such timely filed Objection, at a date and time to be established by the Court. The filing of such an Objection will not delay

the entry of an order approving the assumption of any Assumed Contract or payment of any Prepetition Obligation for which no objection has been filed.

91. The foregoing notice procedures satisfy due process and the strictures of Bankruptcy Rule 9014 by providing the counterparties with notice and an opportunity to object and be heard at a hearing. *See, e.g., In re Drexel Burnham Lambert*, 160 B.R. 729 (S.D.N.Y. 1993) (indicating that providing an opportunity to present objections satisfies due process); *In re Colorado Mountain Cellars, Inc.*, 226 B.R. 244, 246 (D. Colo. 1998) (noting that a hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses.

C. Payment Of Prepetition Obligations

92. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). A bankruptcy court's use of its equitable powers to "authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). "Under 11 U.S.C. 105, a court can permit pre-plan payment of pre-petition obligations when essential to the continued operation of the debtor." *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (*citing Ionosphere Clubs*, 98 B.R. at 177). The Debtors strongly believe that the uninterrupted supply of goods and services related to the Prepetition Obligations are imperative to the Debtors' ongoing operations and viability.

93. The "necessity of payment" doctrine further supports the relief requested herein. This doctrine recognizes the existence of the judicial power to authorize a debtor

in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor. *Ionosphere Clubs*, 98 B.R. at 176; *see also In re Chateaugay Corp.*, 80 B.R. 279, 287 (S.D.N.Y. 1987). This doctrine is consistent with the paramount goal of chapter 11 – “facilitating the continued operation and rehabilitation of the debtor . . .” *Ionosphere Clubs*, 98 B.R. at 176.

94. Similar relief has been granted in other large chapter 11 cases. *See, e.g., In re Worldcom, Inc., et al.*, Case No. 02-13533 (ALG) (Bankr. S.D.N.Y. 2002); *In re Enron Corp., et al.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. 2001); *In re AI Realty Marketing of New York, Inc.*, Case Nos. 01-40252 through 01-40290 (AJG) (Bankr. S.D.N.Y. 2001).

95. Moreover, courts have granted similar relief in airline reorganization cases. *See, e.g., In re US Airways Group, Inc., et al.*, Case No. 04-13819 (SSM) (Bankr. E.D. Va. Sept. 12, 2004); *In re Aerovias Nacionales de Colombia S.A. Avianca (In re Avianca, Inc.)*, Case Nos. 03-11678 and 03-11679 (ALG) (Bankr. S.D.N.Y. Mar. 21, 2003); *In re Hawaiian Airlines, Inc.*, Case No. 03-00817 (RJF) (Bankr. D. Haw. Mar. 21, 2003); *In re UAL Corp., et al.*, Case No. 02-48191 (ERW) (Bankr. N.D. Ill. 2002); *In re US Airways Group, Inc., et al.*, Case No. 02-83984 (SSM) (Bankr. E.D. Va. 2002).

96. Section 363(b)(1) of the Bankruptcy Code empowers the Court to allow the debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Debtors’ decisions to use, sell or lease assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992) (holding that a judge determining a section 363(b) application must find from the evidence presented

before him a good business reason to grant such application); *see also Committee of Equity Sec. Holders v. Lionel Corp.* (*In re Lionel Corp.*), 722 F.2d 1063, 1071 (2d Cir. 1983) (same); *In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 674 (Bankr. S.D.N.Y. 1989) (noting that standard for determining a section 363(b) motion is “good business reason”).

97. The business judgment rule is satisfied where “the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc.* (*In re Integrated Res., Inc.*), 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993) (*quoting Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). In fact, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Committee of Asbestos Related Litigants and/or Creditors v. Johns Manville Corp.* (*In re Johns Manville Corp.*), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Courts in this district have consistently and appropriately been loath to interfere with corporate decisions absent a showing of bad faith, self interest, or gross negligence and will uphold a board’s decisions as long as they are attributable to any “rational business purpose.” *In re Integrated Res. Inc.*, 147 B.R. at 656.

98. The Debtors submit that the requested relief represents a sound exercise of the Debtors’ business judgment and is justified under section 363(b), as well as under section 105(a) of the Bankruptcy Code. The Prepetition Obligations represent a small percentage of the Debtors’ total prepetition claims and their satisfaction contributes

greatly to the revenue-generating capability of the Debtors. As a practical matter, the Debtors do not have competing suppliers, providers, or relationships to serve or replace many of the vital functions served or benefits provided by the foregoing agreements.

Honoring the Prepetition Obligations will enable the Debtors to provide a high level of service and to retain the confidence and goodwill of travelers, travel agents and other service providers. Absent this relief, the value of the Debtors' estates will suffer, possibly precipitously. Consequently, all of the Debtors' creditors will benefit if the requested relief is granted.

D. Modification of the Automatic Stay

99. Because the Interline Agreements, the Clearinghouse Agreements, the UATP Agreement, the ARC Agreements, the BSP Agreements and the Cargo Agreements provide for an ongoing mutual billing and settlement and adjustment process that necessarily entails continuing submission of billings to the Debtors and continuing setoffs of obligations owed to and obligations owed by the Debtors, the Debtors also request that the Court modify the automatic stay of Bankruptcy Code section 362(a) solely to the extent necessary to enable the counterparties to participate in routine billings and settlements in accordance with the Interline Agreements, the Clearinghouse Agreements, the UATP Agreement, the ARC Agreements, the BSP Agreements and the Cargo Agreements. Under Bankruptcy Code Section 362(d) the Court is authorized to modify the automatic stays "for cause." In this case the cause for modifying the stays is a direct function of the Debtors' assumption of the Interline Agreements, the Clearinghouse Agreements, the UATP Agreement, the ARC Agreements, the BSP Agreements and the Cargo Agreements. Reciprocal billing, setoffs and net settlement are an essential part of these agreements. Neither the Debtors nor the counterparties can perform under any of

these agreements unless they can submit and settle their mutual obligations as the agreements require. Thus, the stay should be modified solely to the extent necessary to accommodate ordinary course billing and settlement under the Interline Agreements, the Clearinghouse Agreements, the UATP Agreement, the ARC Agreements, the BSP Agreements and the Cargo Agreements. Similar relief has been granted by other courts. *See, e.g., In re US Airways Group, Inc., et al.*, Case No. 04-13819 (SSM) (Bankr. E.D. Va. Sept. 12, 2004); *In re UAL Corp., et al.*, Case No. 02-48191 (Bankr. N.D. Ill. 2002).

Waiver of Memorandum of Law

100. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Motion.

Notice

101. No trustee, examiner, or creditors' committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on (i) the Office of the United States Trustee for the Southern District of New York, (ii) those creditors holding the five largest secured claims against the Debtors' estates and (iii) those creditors holding the thirty largest unsecured claims against the Debtors' estates.

102. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request the Court grant the
Debtors the relief requested herein and such other and further relief as is just and proper.

Dated: New York, New York
September 14, 2005

By: /s/ Marshall S. Huebner
John Fouhey, Esq. (JF 9006)
Marshall S. Huebner, Esq. (MH 7800)
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Attorneys for Debtors and
Debtors in Possession

Exhibit A

Bilateral Agreements

Bilateral Agreements

Supplier/Vendor/Non-Delta Party Name	Document Title	Dept or Contact Name for Non-Delta Party	Supplier/Vendor/Non-Delta Party Address					
			Street Address (1)	Street Address (2)	City	State or Province	Zip or Postal Code	Country
(Aloha) IslandAir	Baggage Transfer Agreement / Reduced Rate Agreement	R. Murashigi	99 Kaplulu Place		Honolulu	HI	96819	USA
ABX Air, Inc. d/b/a Airborne Express	Deicing Services	Mr. Dennis Manibusan	145 Hunter Drive		Wilmington	OH	45177-9390	USA
ABX Air, Inc. d/b/a Airborne Express	Master Agreement for Deicing/Anti-Icing Services	George Danison	145 Hunter Drive		Wilmington	OH	45177	
Adria Airways	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Maja Markovic	Kuzmiceva 7		Ljubljana 61000			Slovenia
AEGEAN AIRLINES	Interline Ticketing and Baggage Agreement	B. Bekes	572 Vouliagmenis Ave		Athens		16451	Greece
Aer Lingus	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Kevin Gormley	PO Box 180 Dublin Airport		Dublin			Ireland
Aero California	Interline Ticketing and Baggage Agreement	Doug Lutfey	1960 E. Grand Avenue	Suite 1000	El Segundo	CA	90245	
Aeroflot - Russian International Airlines	Ground Handling Agreement	Ms. Valeri I. Bolshakov	1384 Broadway 22nd Floor		New York	NY	10018	USA
Aeroflot - Russian International Airlines	Standard Ground Handling Agreement	Zurab Sakhokia	1384 Broadway	22nd Floor	New York	NY	10018	
Aeroflot Russian Intl. Airlines	Interline Ticketing and Baggage Agreement	A. Filippov	37 Leningradsky Prospekt		Moscow 125167			Russian Federation
Aerolineas Argentinas S.A.	Cargo Handling Agreement	General Manager-USA and Canada	6205 Blue Lagoon Drive	Suite 350	Miami	FL	33126	USA
Aerolineas Centrales De Colombia S.A. - (VX)	Diversion Handling Services Agreement	Rhonda Shire	8125 NW 53rd Street	Suite 211	Miami	FL	33166	United States
AEROLITORAL	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	I.G. Sanchez	Carretera a Miguel Aleman K.m. 22.8	Parque Industrial Stiva	Apodaca	Nuevo Leon	66600	Mexico
Aerolitoral, S.A. De C.V.	Master Agreement for Deicing/Anti-Icing Services	John Jones	401 Isom Road	Suite 390	San Antonio	TX	78216	
Aeromexico	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Juan Garcia	Paseo de la Reforma 445	5th Floor	06500 Mexico DF			Mexico
Aeromexpress SA de CV	Cargo Handling Agreement	Senior Vice President-Cargo	222 North Sepulveda Blvd	Suite 1755	El Segundo	CA	90245	USA
AEROPOSTAL	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	T. Guevara	Paseo Colon, Plaza Venezuela	Torre Polar Oeste, Piso 22	Caracas		1050	Venezuela
AEROSVIT	Interline Ticketing and Baggage Agreement / Reduced Rate	A. Drynko	Bldg. Shevchenko 58A		Kiev		252032	Ukraine

Bilateral Agreements

			Supplier/Vendor/Non-Delta Party Address					
Supplier/Vendor/Non-Delta Party Name	Document Title	Dept or Contact Name for Non-Delta Party	Street Address (1)	Street Address (2)	City	State or Province	Zip or Postal Code	Country
Aerovias de Mexico, S.A. de C.V.	Standard Ground Handling Agreement	Jaime Bernal	3663 N. Sam Houston Parkway East	Suite 500	Houston	TX	77032	
Aerovias de Mexico, S.A. de C.V.	X-Ray Equipment Use Cost Sharing Agreement	Jaime Bernal	3663 N. Sam Houston Parkway East	Suite 500	Houston	TX	77032	
Aerovias Nacionales De Colombia S.A. - Avianca	Diversion Handling Services Agreement	Victor Gutierrez	720 Fifth Avenue	5th Floor	New York	NY	10019-4107	
Aerovias Nacionales De Colombia S.A. - Avianca	Ground Handling	Ms. Dora Nelly Carmona	720 Fifth Avenue 5th Floor		New York	NY	10019-4107	USA
Air 2000	Interline Ticketing and Baggage Agreement	Graham Davey	Jetset House	Church Road	Lowfield Heath	Crawley	RH11O PQ	United Kingdom
Air 2000 Limited	Standard Ground Handling Agreement	Mike Cooper	Commonwealth House	Chicago Ave, Manchester Airport	Manchester		M90 3DP	United Kingdom
Air Algerie	Interline Ticketing and Baggage Agreement	Ali Djerraba	Direction Commerciale BD Zirout Youcef		Algiers			Algeria
Air Atlanta, Icelandic	Charter Ground Handling Master Agreement	Elias Hoskuldsson	Hofdabakk9	110 Reykjavik				Iceland
Air Atlanta, Icelandic	Standard Ground Handling Agreement	Elias Hoskuldsson	Hofdabakk9	110 Reykjavik				Iceland
Air Baltic Corporation	Interline Ticketing and Baggage Agreement	Yanis Lapinsh	Riga Airport		Riga LV 1053			Latvia
Air Berlin	Interline Ticketing and Baggage Agreement	Thorston Scherzer	Saatwinkler Damm 42-43		Berlin		13627	Germany
Air Botswana Corporation	Interline Ticketing and Baggage Agreement	B. Selotlegeng	PO Box 92		Gaborone			Botswana
Air Caledonie Intl.	Interline Ticketing and Baggage Agreement	O.Razavet	PO Box 3736		Noumea			New Caledonia
Air Canada	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	C. Hamel	130 Bloor Street 5th Floor		Toronto	ON	M5S 1P5	Canada
Air Canada	Ground Services Agreement	Mr. Bob Warner	19300 Ike Jones Road	John Wayne/ Orange County Airport	Santa Ana	California	92707	USA
Air Canada	Ground Handling Agreement	Mr. Guoliang Fan	45 East 49th Street		New York	NY	10017	USA
Air Canada	Standard Ground Handling Agreement	Michelle Chartrand	7373 Cote Vertu West	Saint Laurent	Montreal	PQ	H4Y 1H4	Canada
Air Canada	X-Ray Equipment Use Cost Sharing Agreement	Michelle Chartrand	7373 Cote Vertu West	Saint Laurent	Montreal	PQ	H4Y 1H4	Canada
AIR CARAIBES	Interline Ticketing and Baggage Agreement	G. Alexandre	Immeuble le Caducet	Morne Vergain	Point-a-Pitre	Abymes	97139	Guadeloupe
Air Cargo Inc	Cargo Handling Services Agreement	James R Morrow	1819 Bay Ridge Avenue		Annapolis	MD	21403	USA
Air China Intl. Corporation	Interline Ticketing and Baggage Agreement	Ms. Hong, Jingrong	Room 1942, Jingxin Mansion, A-2, Dongsanhuan Bei Road		Beijing 100027			China

Bilateral Agreements

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Air Dolomiti	Interline Ticketing and Baggage Agreement	A.Ferarris	Trieste Airport, Via Aquilela 46		34077 Ronchi del Legionari, Gorizia			Italy
Air Europa	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Bill Szymanski	Gran Via Asima, 23		Palma de Mallorca		7009	Spain
AIR EUROPE	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	G. Perniceni	via g. B. Pirelli 20	4th Floor	Milan		20124	Italy
Air France	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Matilda Ianniello	45 Rue de Paris		95747 Roissy CDG Cedex			France
Air France	Airport Annex to Airport Services Master Agreement	Ms. Jean O. Raines	8525 Aero Drive		Tallahassee	Florida	32317	USA
Air France	Cargo Handling Agreement	Bernard Frattini - Air France Cargo, Attn: NYC.FT	One Cross Island Plaza		Rosedale	NY	11422	USA
Air France Compagnie Nationale	Standard Ground Handling Agreement	Denis Hasdenteufel	JFK International Airport	Building 52	Jamaica	NY	11430	
Air India	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	P.K. Sinha	Air India Building Nariman Point		Mumbai-21			India
Air Inter Europe	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Robert Neu	1. Ave. du Marechal Devaux		91550 Paray Vieille Poste			France
Air Jamaica Express Limited	Standard Ground Handling Agreement	Tim L. Coon	Tinson Pen Aerodrome	Marcus Garvey Drive	Kingston 11			Jamaica, West Indies
Air Jamaica Express Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	S. Luben	P. O. Box 34		Kingston 10			Jamaica
Air Jamaica Limited	Charter Ground Handling Master Agreement	Sue Rosen	72-76 Harbor Street		Kingston			Jamaica, West Indies
Air Jamaica Limited	Master Agreement for Deicing/Anti-Icing Services	Sue Rosen	72-76 Harbor Street		Kingston			Jamaica, West Indies
Air Jamaica Limited	Standard Ground Handling Agreement	Sue Rosen	72-76 Harbor Street		Kingston			Jamaica, West Indies
Air Jamaica Limited	X-Ray Equipment Use Cost Sharing Agreement	Sue Rosen	72-76 Harbor Street		Kingston			Jamaica, West Indies
Air Jamaica Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	S. Luben	72-76 Harbour Street		Kingston			Jamaica
Air Lanka Ltd.	Interline Ticketing and Baggage Agreement	A.C. Mahajan	37, York Street, P. O. Box 670	Colombo 1				Sri Lanka
Air Lithuania	Interline Ticketing and Baggage Agreement	T. Laurinaitis	Veiveriu 132		3018 Kaunas			Lithuania

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Air Luxor, S. A.	Standard Ground Handling Agreement	Miguel Lory	Luxor Plaza, Avenida da Republica 101	1050-190	LISBOA			Portugal
Air Madagascar	Interline Ticketing and Baggage Agreement	R. Ranjatoelino	31, Ave. de l'Indépendance		Antananarivo			Madagascar
Air Malawi Ltd.	Interline Ticketing and Baggage Agreement	B. Kampondeni	Glyn Jones Road, Chibisa House, P. O. Box 84		Blantyre			Malawi
Air Malta Company Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	G. Vella	Head Office		Luqa			Malta
Air Marshall Islands, Inc.	Interline Ticketing and Baggage Agreement	Jack Cmono-Gun	P. O. Box 1319		Majuro 96960			Marshall Islands
Air Mauritius	Interline Ticketing and Baggage Agreement	S. Seegobin	P. O. Box 60		Port Louis			Mauritius
Air Midwest	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	Mgr. Pass Bureau	2203 Air Cargo Rd.		Wichita	KS	67277	USA
AIR MOLDOVA STATE	Interline Ticketing and Baggage Agreement	P. Cheban	Chisinau Intl Airport		Chisnau		MD-2026	Republic of Moldova
Air Nambia	Interline Ticketing and Baggage Agreement	F.H. Aldridge	P. O. Box 731		Windhoek 9000			Namibia
Air Nevada Airlines, Inc./dba Pacific Wings	Interline Ticketing and Baggage Agreement / Reduced Rate	M. Caplan	P. O. Box 11105		Las Vegas	NV	89111	USA
Air New Zealand, Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	J. Bateman	Private Bag 92007		Auckland 1			New Zealand
Air Niugini	Interline Ticketing and Baggage Agreement	Craig Templeman	ANG House, Jacksons Airport, P.O. Box 7186		Boroko			Papua New Guinea
Air North	Interline Ticketing and Baggage Agreement	Joseph Sparling	P. O. Box 4998		Whitehorse	YT	Y1A ???	Canada
Air Nostrum	Interline Ticketing and Baggage Agreement	G. Rubio	Via Sardegna 22		Rome		187	Italy
Air Nova	Interline Ticketing and Baggage Agreement	See Air Canada						
AIR ONE	Interline Ticketing and Baggage Agreement	P. Zegretti	Via Sardegna, 22		Rome		187	Italy
Air Ontario	Interline Ticketing and Baggage Agreement	See Air Canada						
Air Pacific Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate	Ernie Dutta	P. O. Box 9266, Nadi Airport					Fiji Islands
Air Plus Comet	Standard Ground Handling Agreement	Eliana Barco	420 Lexington Avenue	Ste 2633-A	New York	NY	10170	
Air Seychelles Ltd.	Interline Ticketing and Baggage Agreement	Neil Pakey	P. O. Box 386, Victoria		Mahe			Seychelles
Air Tahiti	Interline Ticketing and Baggage Agreement / Reduced Rate	C. Richmond	Boulevard Pomare	PO Box 314	Papeete	Tahiti		French Polynesia
Air Tahiti Nui	Interline Ticketing and Baggage Agreement / Reduced Rate	Brian Asgill	B.P. 1673-98713		Papeete	Tahiti		French Polynesia

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Air Transport International, LLC	Master Agreement for Deicing/Anti-Icing Services	James L. Hobson, Jr.	16808 Armstrong Avenue		Irvine	CA	92606	
Air UK Ltd.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	(Under KLM)	Stansted House, Stansted Airport		Stansted, Essex		CM24 1AE	UK
Air Ukraine	Ground Handling Agreement	Mr. Alexander Karassov	420 Madison Avenue Suite 1001		New York	NY	10017	USA
Air Ukraine	Standard Ground Handling Agreement	Nicolai Kravets	420 Madison Avenue	Suite 1001	New York	NY	10017	
Air Ukraine Intl.	Interline Ticketing and Baggage Agreement	N. Kravets	14 Prospect Peremogy		252135 Kiev			Ukraine
Air Vanuatu	Interline Ticketing and Baggage Agreement	Paul Ubrsnop	P. O. Box 148		Port Vila			Vanuatu
Air Wisconsin Airline Corp., d/b/a United Express	Master Agreement for Deicing/Anti-Icing Services	Tim Thatcher	W 6390 Challenger Drive	Suite 203	Appleton	WI	54915-9120	
Air Wisconsin Airline Corp., d/b/a United Express	Standard Ground Handling Agreement	Tim Thatcher	W 6390 Challenger Drive	Suite 203	Appleton	WI	54915-9120	
Air Wisconsin Airlines	Interline Ticketing and Baggage Agreement	Sheila Schabo	W. 6390 Challenger Drive, Ste 2		Appleton	WI	54915-9120	USA
Air Zena Georgian Airlines	Interline Ticketing and Baggage Agreement	Lia Naskidashvili	Shartava St., 40		Tbilisi		380060	
Air Zimbabwe Corp.	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	P. Razika-Mangwiro	P. O. Box A.P. 1		Harare Airport			Zimbabwe
AIRBORNE EXPRESS	Master Agreement for Deicing/Anti-Icing Services	George Danison	145 Hunter Drive		Wilmington	OH	45177	
AIRTRAN	Interline Ticketing and Baggage Agreement / Reduced Rate Agreement	K. Healy	9955 AirTran Blvd		Orlando	FL	32827	USA
AirTran Airways Inc.	Ground Handling Agreement	Mr. Robert Alms	9955 AirTran Boulevard		Orlando	FL	32827	USA
AirTran Airways Inc.	Master Agreement for Deicing/Anti-Icing Services	Steven Kolski	9955 AirTran Boulevard		Orlando	FL	32827	
AirTran Airways Inc.	Master Agreement for Deicing/Anti-Icing Services	Steven Kolski	9955 AirTran Boulevard		Orlando	FL	32827	
AirTran Airways Inc.	X-Ray Equipment Use Cost Sharing Agreement	Robert Alms	9955 AirTran Boulevard		Orlando	FL	32827	
Alaska Airlines	Cargo Handling Agreement	Mgr-Contract Services	19300 International Blvd		Seattle	WA	98188	USA
Alaska Airlines, Inc.	Interline Ticketing and Baggage Agreement / Reduced Rate	Jeff Cacy	P. O. Box 68900		Seattle	WA	98168	USA
Alaska Airlines, Inc.	Charter Ground Handling Master Agreement	Bob Hicks	19300 International Blvd.		Seattle	WA	98188	
Alaska Airlines, Inc.	Diversion Handling Services Agreement	Bob Hicks	19300 International Blvd.		Seattle	WA	98188	